

REMARKS/ARGUMENTS

This Amendment is in response to the Office Action of October 20, 2005, in which the Examiner rejected pending claims 1-10 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent Application No. 2002/0087472 ("**Walter**") in view of U.S. Patent No. 6,275,824 ("**O'Flaherty**").

By the present Amendment, Applicant has added new claims 17-20, which correspond to claims 13-16 that had been previously cancelled. Thus, claims 1-10 and 17-20 are now pending. Applicant believes the cited references neither disclose nor suggest the subject matter of claims 1-10 or new claims 17-20.

Applicant's invention is directed to protecting consumer personal data. In both independent claims 1 and 17, there is recited the use of a payment instrument that has both consumer account information (in order to conduct transactions against an account associated with the payment instrument) and personal data and privacy preferences, so that a "purchase request provides the consumer account information as well as the personal data and the privacy preference from the use of the payment instrument, without separate entry of the personal data and the privacy preference from an instrument other than the payment instrument" (claim 1).

Claim 1 recites additional limitations, such as:

"receiving an application for a payment instrument, wherein the application comprises personal data and a privacy preference of a consumer, and wherein the application is requested before the payment instrument is issued";

"saving the application in electronic form in a database that is associated with an issuing financial institution who issued the payment instrument;

"storing at least some of the personal data and the privacy preference onto the payment instrument, wherein the payment instrument further includes consumer account information necessary to tie a debit or credit payment transaction to a consumer account that is associated with the issuing financial institution"; and

"saving the privacy preference in a database associated with the merchant financial institution."

Independent claim 17 also recites additional limitations, such as:

"saving the privacy preference in a merchant database"; and
"contacting the consumer only in accordance with the privacy preference."

The primary reference relied upon by the Examiner, **Walter**, discloses a system wherein a customer's privacy data may be encoded onto a bar code or magnetic strip on a key flock or card. The card bearing the privacy data is a loyalty card or frequent shopper card (see paragraph 0044), rather than a payment instrument as in Applicant's claimed invention. Thus, **Walter** does not accomplished the recited purpose of Applicant's invention, namely that "the purchase request provides the consumer account information as well as the personal data and the privacy preference from the use of the payment instrument, without separate entry of the personal data and the privacy preference from an instrument other than the payment instrument" (claim 1).

In fact, **Walter** teaches away from Applicant's invention by specifically disclosing the use of two cards when capturing payment account information from a payment instrument and capturing privacy preferences from a loyalty card. **Walter** discusses the use of a card reader to capture payment information and privacy preferences at a POS system:

"One manner of payment may be through a debit card, a charge card, a smart card, or the like (collectively "card") or via a check. Information from the card or check is obtained via the reader 114. The reader 114 may also obtain information from a magnetic strip of a loyalty card. Personal preference data encoded onto the magnetic strip may also be read by the reader 114" (paragraph 0025).

It is believed clear that **Walter** does not disclose or suggest the storing of payment account information and privacy data on a payment instrument, as in Applicant's invention, but rather contemplates two cards being read at the card reader 114, i.e., a payment instrument or card (with customer account information) and a loyalty card (with personal data and privacy preferences).

O'Flaherty, the other reference relied upon by the Examiner, discloses a system where a customer may enter privacy preferences at communications devices 140 in order to

control the use of data collected at a POS terminal and stored in a database. A card may be issued in response to such preferences:

"To facilitate such communications, the kiosk or other device at the point of sale, can issue a smartcard 136 or a loyalty card 138. The kiosk/pos device 134 can accept consumer input regarding privacy preferences, and issue a smartcard 136 or loyalty card 138 storing information regarding these preferences" (col. 5, lines 1-6).

The Examiner cites **O'Flaherty** for its disclosure of entering privacy data before issuance of a card. However, such a disclosed feature is not Applicant's invention, nor does such a feature teach or suggest Applicant's claimed feature of providing both customer account information and privacy preferences on a payment instrument (as opposed to having two cards, one a payment instrument and one a card having privacy preferences). Nowhere in **O'Flaherty** is there a suggestion that the privacy preferences be loaded onto a payment instrument, or a suggestion that the card (with privacy preferences) issued at the POS terminal might be a payment instrument. In fact, to the contrary, it would be illogical for a payment instrument to be issued at a POS terminal in response to entry of privacy data. Rather, a payment instrument, such a credit card, would only be issued in advance and in response to a financial application, and would typically require detailed credit and financial information from the applicant before being issued.

Furthermore, the cited references do not teach or suggest other recited limitations in the claims. For example, neither reference discloses "receiving an application for a *payment instrument*, wherein the application comprises personal data and a privacy preference of a consumer, wherein the application is requested before the payment instrument is issued" (emphasis added), as recited in claim 1. While both **Walter** and **O'Flaherty** disclose the collection of privacy preferences in order to provide a device containing the preferences, neither reference discloses collecting the privacy preferences as part of an application for a *payment instrument*.

Thus, the cited references, either alone or as combined by the Examiner, are believed to be clearly distinguishable from the various recited features of independent claims 1

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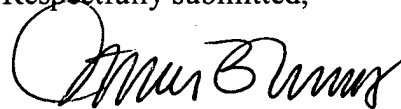
and 17. Dependent claims 2-10 and 18-22 recites limitations in addition to those of their respective parent claims, and are believed allowable for the same reasons as stated above.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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